

Message Text

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ACTION ARA-20

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TAGS: ELAB, PINT, PE

SUBJECT: LABOR TENSION EASES

REF: LIMA 7717

1. IN WHAT APPEARS TO BE A JUDICIOUS USE OF A CARROT AND STICK LABOR RELATIONS TECHNIQUE THE GOP HAS MANAGED THUS FAR TO AVERT A POTENTIALLY DAMAGING STRIKE AT THE GOVERNMENT-OWNED CENTROMIN MINING COMPLEX. FOLLOWING A BREAKDOWN IN CONTRACT NEGOTIATIONS AND GOP NOTICE TO MINE LEADERS THAT STRIKE COULD NOT BE TOLERATED, LABMIN SALA OROZCO ACCEDED TO MINER REQUEST FOR MEETING IN ORDER TO FIND WAY OUT OF IMPASSE. ACCOMPANIED BY MINISTER FOR ENERGY AND MINES FERNANDEZ MALDONADO LABMIN SALA OROZCO WAS CONCILIATORY AND FORTHCOMING. CENTROMIN MANAGERS WERE ASKED TO OPEN COMPANY BOOKS AND UNIONS WERE REQUESTED TO RESTRUCTURE DEMANDS IN CONFORMANCE WITH CENTROMIN'S FINANCIAL CAPABILITIES.

2. FERNANDEZ MALDONADO EMPHASIZED THE NEED FOR CHANGES TO MEET WORKER DESIRES FOR PARTICIPATION (UNIONS HAD CRITICIZED FACT THAT IN STATE-OWNED CENTROMIN LABOR COMMUNITIES COULD NOT ASPIRE TO JOINT OWNERSHIP OF ENTERPRISE). THE TWO CABINET MINISTERS SUBSEQUENTLY ANNOUNCED THAT COMPANY STORES AND SIMILAR COMMERCIAL OPERATIONS WOULD BE TAKEN OVER BY CEMTROMIN TO BE TURNED OVER IN NEAR FUTURE DIRECTLY TO WORKERS. MORE

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SIGNIFICANTLY, FERNANDEZ MALDONADO GAVE UNION LEADERS A COPY

OF FRESHLY DRAWN UP PROPOSAL FOR CENTROMIN REORGANIZATION WHICH WOULD PROVIDE FOR WORKER REPRESENTATION ON THE BOARD OF DIRECTORS. GOP HAS ALSO ANNOUNCED AMBITIOUS PLANS FOR WORKER HOUSING AND NEW SCHOOLS IN CENTROMIN AREA.

3. CONTRACT NEGOTIATIONS ARE AGAIN UNDERWAY AND BEING CARRIED OUT WITHOUT THE DEADLINE PRESSURES PRESENT LAST WEEK. ALTHOUGH IT NOT CERTAIN THAT MINERS WILL RADICALLY MODIFY DEMANDS FOLLOWING THEIR ACCESS TO CENTROMIN BOOKS AND PROJECTED "PARTICIPATION" IN CENTROMIN MANAGEMENT, IT IS CLEAR THAT TENSION HAS EASED AND THE CLIMATE FOR SETTLEMENT IS MUCH IMPROVED. TRADE UNION SOURCES NOW TELL EMBASSY THAT MINERS ARE LIKELY TO SETTLE WITHOUT A STRIKE FOR ABOUT 40 SOLES (\$1 U.S. EQUALS 43.38) PER DAY AND OTHER BENEFITS.

4. MEANWHILE THE ORTHODOX COMMUNIST CGTP LABOR CENTRAL WHICH HAD SCHEDULED A "GENERAL STRIKE" OF PROTEST FOR SEPTEMBER 25 (SEE REFTEL) HAS POSTPONED STRIKE UNTIL OCTOBER 17, OSTENSIBLY TO ALLOW GOP TIME TO SETTLE GRIEVANCES. AGAIN CARROT AND STICK TECHNIQUE WAS IN EVIDENCE. GOP LET IT BE KNOWN THAT SOME CGTP ACTIVISTS DISMISSED FROM STATE STEEL OPERATIONS SIDERPERU WOULD PROBABLY BE REINSTATED THUS ELIMINATING A MAJOR PROTEST ISSUE. ACCORDING TO EMBASSY SOURCES, GOP AT SAME TIME THREATENED CGTP SECGEN GUSTAVO ESPINOSA AND OTHER UNION LEADERS WITH PROSECUTION FOR FOMENTING AN ILLEGAL STRIKE, I.E. ONE NOT APPROVED BY ASSEMBLIES FROM EACH CONSTITUENT UNION. FURTHERMORE, IT RUMORED THAT ESPINOSA FACED PROSECUTION FOR STATEMENTS OFFENSIVE TO REVOLUTIONARY GOVERNMENT CONTAINED IN LEAFLETS ATTRIBUTED TO CGTP. THE CGTP WHICH HAD CALLED FOR STRIKE IN ORDER TO DEMONSTRATE TO ITS LEFT WING DETRACTORS A MILITANT POSTURE AS WELL AS INDEPENDENCE FROM GOP MAY IN END HAVE DECIDED THAT THERE WAS MORE TO FEAR FROM GOP THAN TO GAIN WITH OWN LEFT WING. ANOTHER CONSIDERATION OF POSTPONEMENT OF STRIKE MAY HAVE BEEN DOUBT THAT DEMONSTRATION OF FORCE WOULD SUCCEED. CTP UNION HAD PUBLICLY DARE CGTP TO STRIKE CLAIMING THAT OUTCOME WOULD PROVE WORKER REPUDIATION OF CGTP AS VALID LABOR SPOKESMAN.
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